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SUBJECT: EU LAUNCHES AMBITIOUS AML/CTF PROJECT WITH MOROCCO

REF: A. 07 RABAT 889

[1](#)B. 07 MADRID 1360

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[1](#)1. (SBU) Summary: We met this week with Fernando Rosado, the resident advisor who is overseeing the newly launched EU twinning project in support of development of both Morocco's Financial Intelligence Unit (FIU) and its overall integrated anti-money laundering/counter terrorism finance regime. The project, which was formally launched on February 15, includes a budget of 1.4 million Euros for 94 activities to be carried out over a two year period. Rosado, who arrived here last October, noted that the project is four months behind schedule, but when fully operation will see a program a week over the two year period. Rosado stressed that he intends to coordinate closely with all other actors in the AML/CTF field, and looked forward to cooperation with the USG to ensure that our efforts are "complementary." End Summary.

[1](#)2. (SBU) An ambitious undertaking: Rosada, a Spanish civil servant who has also worked as an international consultant on AML/CTF issues, previously headed FATF/GAFI's South America task force. He briefly reviewed the overall structure of the EU project in Morocco, characterizing it as a "very comprehensive" program that already incorporates a schedule for the 90-plus programs that will be undertaken over its two years life. He described a complicated organizational schema, in which the Spanish Treasury is the lead implementing agency, with support from France's financial intelligence unit-- TracFin. Target audiences, he said, have already been identified, though because Morocco has not yet passed the decree authorizing creation of its FIU, these programs have been delayed by several months, and the EU will soon face a choice between intensifying the tempo of the programs or extending the project for several months.

[1](#)3. (SBU) Rosado noted that several activities have actually been undertaken, even in advance of the decree's promulgation. They include a compilation of Moroccan legislation relevant to the AML/CTF issue, two diagnostic visits-- one focused on the country's "repressive" regime and the other on its "preventive" regime, and the February 15 seminar/conference to launch the project. Rosado noted that at Moroccan request the February 15 event was very much an in-house one, as Morocco did not wish to open it to other partners on the issue. As the project advanced, however, he looked forward to regular consultation with the United States

and others to ensure that our activities are not duplicative.

He noted that an updated assessment of Morocco's AML/CTF regime based on the diagnostic visits should be released in the next several weeks.

¶4. (U) The EU project itself has five major pillars. They include:

-- Reinforcing public support and national coordination, though working groups, workshops, and public meetings.

-- Providing technical assistance and help with the updating of relevant Moroccan legislation, through diagnostic visits, a joint committee to rewrite legislation as necessary, and judicial assistance as required.

-- Aiding implementation of the Financial Intelligence Unit (FIU), through support for recruitment, elaboration of internal work rules, coordination with other agencies, help with procedures for international cooperation, support for installation of a computer system, working visits to Sepblac (Spain) and Tracfin (France), and train-the-trainer programs within the unit.

-- Reinforcing Morocco's investigating structures-- through seminars on procedures, study visits, workshops, and technical assistance as required.

-- Helping banks and other institutions that are subject to AML/CTF requirements set up preventive systems to ensure their compliance, through seminar for supervisors, train-the-trainer and other training programs, and workshops.

-- Carrying the message to non-financial activities and professions, to ensure they understand their obligations under the new legislation.

¶5. (SBU) Rosado saw particular room for cooperation with the U.S. and other donors in the fourth and fifth areas, regarding training for police and other investigating groups, as well as with training for banks and other financial institutions. He noted that the EU project has little connection to Customs, and so our programs aimed at helping them combat bulk cash smuggling and other activities at the border are well-targeted. Rosado opined that given Morocco's "continental-based" legal system, France and Spain are perhaps best placed to assist it on questions relating to legislation and the FIU itself. Nonetheless, he also identified the possible need for support for Morocco in adapting the use of financial software to its needs. Rosado noted that Spain has a state of the art software that its FIU utilizes, which it typically offers to partner countries for their own operations. Whether Morocco will elect to use the system remains to be seen, but typically it requires not insubstantial modifications, for which there is currently no EU funding.

¶6. (SBU) Comment: Rosado greeted us in the large, airy office he has been allocated in the Ministry of Finance. His work has not been without its frustrations, however-- even after four months, he has yet to secure either a computer or cell phone. As a result, he has been obliged to work from home or from local cyber-cafes. He expressed hope that with the formal launch of the program, these problems will soon be remedied. We intend to remain in close touch with Rosado as the program advances, to identify those areas where U.S. assistance can best complement EU efforts. With a program a week, the EU agenda is an ambitious one, that will push up against Morocco's absorption capacity. End Comment.

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